



Sam Brownback

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CHAPTER 12 EXTENSION GRANTED; BROWNBACK URGES COLLEAGUES TO MAKE IT PERMANENT

WASHINGTON -- U.S. Sen. Sam Brownback today rejoiced with Kansas farmers that Congress has extended Chapter 12 bankruptcy protection for another six months, but he called on his colleagues to do more by making Chapter 12 a permanent part of the bankruptcy code. His statement follows.

"I am pleased that Congress has decided to extend Chapter 12 for another six months," Brownback said. "Extending Chapter 12 will protect family farmers by enabling them to reorganize their debts and keep their land during these times of economic hardship.

"Farmers in Kansas and across the country are experiencing cash flow problems associated with low commodity prices. The U.S. Department of Agriculture has reported that farm income is down for the second year in a row.

"I am still concerned that Chapter 12 has not been made a permanent part of the bankruptcy code. Farmers should not have to worry every six months whether or not Congress will extend Chapter 12 so that their farms and homes will be protected.

"The Consumer Bankruptcy Reform bill not only makes Chapter 12 a permanent part of the bankruptcy code, but reduces the priority of capital gains tax liabilities for farm assets sold as part of a reorganization plan. This will have the effect of allowing cash-strapped farmers to sell livestock, grain and other farm assets to generate cash-flow when liquidity is vital to maintaining a farm.

"I urge my colleagues to pass the Consumer Bankruptcy Reform Act before the end of this legislative session and make Chapter 12 a permanent part of the bankruptcy code," Brownback said.